

WISCONSIN DEPARTMENT OF HEALTH AND FAMILY SERVICES
Division of Health Care Financing
1 W. Wilson St.
Madison WI 53702

To: FoodShare Wisconsin Handbook Users

From: Cheryl McIlquham, Director
Bureau of Health Care Eligibility

Re: **FS Handbook Release 05-03**

Release Date: 09/15/05

Effective Date: 09/15/05, unless otherwise listed.

**EFFECTIVE
DATE**

The following policy additions or changes are effective 9/15/05, unless otherwise noted. **Bold text denotes new text. Text with a strike through it in the old policy section denotes deleted text.**

**UPDATED
SECTIONS
OVERVIEW**

The following sections were edited in this release: 2.1.3.5; 3.2.1.2; 3.2.1.2.1; 3.12.1; 3.16.1; 3.19.1; 4.3.1; 4.3.4.2; 4.6.4.2; 4.6.7; 6.1.2; 7.1.1.6; 7.1.1.7; 7.2.1; 7.3.2.1; 8.1.1; 8.1.2; 8.1.3; 8.1.4; 8.1.5; 8.1.7

**POLICY
CHANGES**

See Below

2.1.3.5

Clarification of "Telephone Interviews" policy was made.

Note: FTF interviews may be waived for households in which all members are elderly or disabled and have no earned income.

3.2.1.2

Hospitalized Newborn - Infants who remain hospitalized for an extended period of time should be added to the food unit, even if the absence is greater than 2 consecutive months.

3.2.1.2.1

Someone absent solely for full-time service in the military is not considered temporarily absent, and is not in the household. Income ~~and assets~~ from someone outside of the household ~~are not~~ **may be** used in the financial eligibility determination.

If military income is direct deposited into an account jointly owned by the person in the military and a member of the **FS AG food unit**, it will be counted as **unearned income, with the exception of combat pay**. ~~an asset for the food unit in the month after receipt. However,~~ Military allotments paid to a spouse or dependent of the person in the military are budgeted as unearned income as long as the spouse or dependent is a member of the **FS AG food unit**. This includes cash sent directly from the person in the military to a **FS AG food unit** member.

~~Example: Maria and Gustavo are a married couple with two children and are receiving FoodShare benefits. Maria is a reservist in the army and has been called to active duty. She will be living away from her family while on active duty. She will now receive active army pay that will be direct deposited into a joint account that Maria and Gustavo share. Maria's army pay will not be budgeted to the food unit because Maria is no longer in the food unit. If Gustavo receives a Military allotment for himself, and for his and/or their children due to the fact that Maria is on active duty, that payment would be budgeted as unearned income.~~

Please see 4.3.4.2 Disregard Unearned Income for the treatment of combat pay.

3.12.1

Chart 1. Under "Alien Status Code" 19- Trafficking Victims, the following was added:
Including the minor children, spouses and in some cases the parents and siblings of victims of severe trafficking.

3.12.1
(Continued)

In the case of an alien who is awarded a T visa and who is under 21 years of age on the date the T visa application was filed, Derivative T visas are available to the alien's spouse, children, unmarried siblings under 18 years of age on the date on which the alien's visa application was filed and parents.

In the case of an alien who is awarded a T visa and was 21 years of age or older on the date the T visa application was filed, the Derivative T visas are available to the alien's spouse and children.

Also, the age was changed from 18 to 21.

Chart – Under “I-94 Codes”, Trafficking Victims, 19, the following was added:

T-2, T-3, T-4 and T-5 known as "Derivative T" visas are not currently available in the SAVE system.

Call the toll-free trafficking verification line at 1-866-401-5510 to notify ORR of the benefits for which the individual has applied.

3.16.1

All Work Program and ABAWD (Able Bodied Adults Without Dependents) policy is now contained in the FSET Manual at <http://www.dwd.state.wi.us/dws/manuals/fset/default.htm>

The following policies can be found in the FSET Manual:

FSET Exemptions (4.4.0)

Good Cause for Non-participation in FSET (5.1.1)

Voluntary Quit Policy and Process (5.5)

3.19.1

For FS eligibility purposes, a drug felon is a person who is convicted of a felony in a state or federal court involving the possession, use or distribution of a controlled substance within the last 5 years. Convicted drug felons must have a negative drug test result (pass) to become eligible for FS. Drug felons that test positive (fail) **for controlled substances** ~~have a positive drug test result~~ will be sanctioned.

4.3.1

Clarification of Income (General) policy was made.

Participation in the FS Program is limited to those food units whose income is determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Income is any gain or benefit that can be used to purchase goods and services. ~~Money cannot be counted as both income and an asset in the same month.~~

Income of a non-food unit member is not budgeted as income for the food unit. This is true whether the income is earned or unearned. If the income of a non-food unit member is directly deposited into an account jointly owned by a food unit member, it is counted as **unearned income** ~~an asset~~ for the food group. ~~in the month following receipt.~~

Example: Sam and Betty are receiving FoodShare benefits. Sam is a reservist in the army and has been called to active duty **in a noncombat zone**. He will be living away from Betty. He will now receive army pay which will be direct deposited into a joint account that Sam and Betty share. Sam's income will ~~not~~ be budgeted **as unearned income** to the food unit ~~because Sam is no longer in the food unit.~~

4.3.4.2

Per Operations Memo 05-24 the following policy was added:

Combat Pay

Workers are now required to determine if a military allotment made available to an AG by an

4.3.4.2
(Continued)

absent member deployed to a combat zone should be excluded when determining eligibility. Disregard any amount of combat zone pay that goes to the household that is in excess of the military person's pre-deployment pay. The exclusion lasts while the military person is deployed to the combat area.

If the amount of military pay from the deployed absent family member is equal to or less than the amount the household was receiving prior to deployment, all of the allotment would be counted as income to the household. Any portion of the military pay that exceeds the amount the household was receiving prior to deployment to a designated combat zone should be excluded when determining the household's income for FS purposes.

Procedure

Follow these steps in determining how to budget combat zone pay:

1. Ask if the service member is deployed to a combat zone.
2. If the answer is no, verify military pay using a bank record or Leave and Earnings Statements (LES) and clearly document in case comments how income to the FS AG was determined and verified.
3. If the answer is yes, verify the service member's pay before deployment to a combat zone and the amount they receive due to being assigned to a combat zone. Leave and Earnings Statements (LES) or bank records can be used to verify this amount.
4. Any portion that is more than the amount the unit was receiving immediately before deployment to a combat zone is exempt as combat pay.
5. Clearly document in case comments the combat pay source of verification and method used to determine amount to be disregarded and budgeted.

Example: John, his wife Bonnie and their daughter have an open FS case. John is in the military stationed overseas, his monthly income is \$1,000. John sends his wife \$1,000 every month.

When John is deployed to a combat zone his pay is increased to \$1,300 a month, which is deposited into a joint account. Because the \$300 is combat pay, it is exempt income and not counted in the determination. The pre-combat pay of \$1,000 is budgeted as unearned income for FS.

4.6.4.4

2. Expenses paid by or to be paid by any governmental program, including MA and Medicare, except discounts or subsidies authorized through the Medicare Approved Prescription Drug Discount Card. Any discounts and Transitional Assistance subsidies through the Medicare Approved Drug Card used to purchase drugs are disregarded when determining the amount of the food unit's medical expense deduction.

Treatment of Medical Expense Deductions for Medicare Prescription Drug Discount Cardholders

Any Medicare-Approved Drug Discount Card discount and Transitional Assistance subsidy received by an applicant or recipient is not counted as income or assets in determining eligibility and benefit amounts.

Count the full price of drugs purchased by an applicant or recipient before any discounts and subsidies were applied when determining the amount of an allowable medical expense. This is to be done using one of the following methods:

1. Count the full price that appears on the pharmacy receipt before any discount and subsidy is applied to the drug cost.
2. Use an old receipt showing the full price of the drug paid for by the applicant or recipient before he or she obtained the discount card.
3. Use a value set by the Centers for Medicare and Medicaid Services (CMS) of \$48.17 per prescription. This is an amount reflecting the national average cost of a

4.6.4.2
(Continued)

prescription. Using this value should only be done if you can not determine the pre-discount price of a prescription and the person can not document that he or she would have had to pay a higher price without the discount card.

4. Count the drug discount plan enrollment fee (up to \$30/year) paid by the person as a medical expense. If the enrollment fee is paid for by a state or federal government program, it is not a countable medical expense, unless the fee is paid for or reimbursed by CMS as part of Transitional Assistance benefits.

EXAMPLE: Ted has applied and determined eligible for FoodShare and EBD Medicaid with a deductible. When Ted sends in his bills for his prescriptions, his worker notices on one receipt that Ted paid \$10. However, the receipt shows the full cost of the drug was \$60 and that the pharmacy deducted \$50 for a Transitional Assistance payment made by CMS. The worker must count the full cost of \$60 towards Ted's deductible, not just the \$10 paid by Ted.

Ted's worker sees another prescription receipt for \$5. Ted tells his worker that he got the drug so cheap with the Medicare-Approved Drug Discount Card, but that he doesn't remember the full price of the drug and he has no older receipts. The worker must count \$48.17 towards the deductible, not the \$5 Ted paid out of pocket.

4.6.7

Clarification was made in the "Private Payments and Loans" policy.

Private payments and loans

Sometimes a relative or friend who is not a food unit member will pay the food unit's shelter **and/or utility** costs directly to the provider or landlord on behalf of the food unit. In such cases, the eligibility worker should determine if the payment is a loan.

If the payment is a loan, it is excluded from income, and the expense is allowed in the shelter **and/or utility** computation. If the payment is not a loan and a relative or friend makes the vendor payment, it must be excluded from income and the shelter **and/or utility** expense is not allowed as a deduction.

6.1.2

Food units certified for 12 months, and subject to reduced change reporting requirements, are required to submit a six-month report form (SMRF) in the sixth month of the certification period. Using the SMRF, these food units are required to report and verify the current gross earned **and unearned** income received by all household members. **Self-employment income that has already been averaged does not need to be re-verified, unless a significant change is reported.**

~~4. Unearned income (4.3.4) sources and amounts~~

7.1.1.6

7.1.1.6 was changed from "Deny Benefit Increases Due To Penalties In Other Programs" to "Voluntarily Refunded Food Stamp Coupons".

Return to DHFS any food stamp coupons refunded to you by an FS group at your earliest opportunity. Void the stamps and send them to Tim Burnett at P.O. Box 2057, Madison, WI 53701-2057. List the household, case number, benefit number or month of benefit, amount returned and reason for return.

Food stamp coupons may be returned because the FS group refunds them or the coupons were found. Document the case record appropriately.

7.1.1.7

Deny Benefit Increases Due To Penalties In Other Programs section was previously 7.1.1.6 was changed to 7.1.1.7.

7.3.1.9

Do not establish a claim if Social Security or SSI updates from data exchange are incorrect. These updates cannot be recovered or found in error because the information comes from a trusted 3rd party source.

7.3.2.1**Per Operations Memo 05-07**

When determining if an overissuance occurred due to an unreported increase in total gross monthly income, compare the total actual unconverted income amount to the income reporting limit for the household size to determine if the income should have been reported. Enter the converted income amount to determine ongoing benefit eligibility. **Use the actual income amount to determine the overissuance and expenses reported or required to be reported for each month of the adjustment period.** In claim calculations, disregard income from sources that were not previously reported and were not required to be reported.

8.1.1

Updated Net Income Limits table with 2006 FPL numbers, effective 10/01/05.

8.1.2

Updated Gross Income Limits table with 2006 FPL numbers, effective 10/01/05.

8.1.3

Updated Elderly & disabled seeking separate household status table with 2006 FPL numbers, effective 10/01/05.

8.1.4

Updated Categorical eligibility income limits table with 2006 FPL numbers, effective 10/01/05.

8.1.5

Updated Deduction table with 2006 FPL numbers, effective 10/01/05.

8.1.7

Updated Monthly Maximum Allotment table, effective 10/01/05.

8.1.8

Updated Allotment for monthly net income and FS group size table, effective 10/01/05.

8.3.14.2

Clarified Transfer-In policy

When the case is transferred to the transfer-in county, the review due date on AGOR is set to the end of the month following the date the transfer is done. The transfer-in county then schedules and completes a review/FS application and a new recertification date is set for 12 months with a SMRF due at 6 months.